

# FINAL BILL REPORT

## EHB 1513

---

---

C 230 L 09  
Synopsis as Enacted

**Brief Description:** Allowing municipalities to participate in financing the development of water or sewer facility projects.

**Sponsors:** Representative Haler.

**House Committee on Local Government & Housing**  
**Senate Committee on Government Operations & Elections**

### **Background:**

A city, town, county, or water-sewer district is authorized to enter into contracts with developers and other property owners that create reimbursement procedures for the construction and/or funding of infrastructure improvements that exceed the scope or capacity necessary for a particular development or property. Such contracts may pertain to the construction or improvement by developers or property owners of either street projects or water-sewer facilities.

Typically, such contracts involve situations in which a new property development necessitates the construction of additional infrastructure, and the developer agrees to provide infrastructure improvements on a scale sufficient to service the current development project as well as future development that is likely to occur in the area. In return, the contract provides that the developer will receive pro rata reimbursement from other developers or property owners who later benefit from the excess capacity provided by the infrastructure improvements. Such reimbursement agreements are limited to a period of 15 years and are often referred to as "latecomers agreements."

Although state law authorizes municipalities to enter into latecomers agreements in which developers and property owners who finance and/or build excess infrastructure are entitled to pro rata reimbursement for such infrastructure, there is no explicit legal authority for municipalities themselves to participate in the financing of excess infrastructure and thus be eligible for subsequent reimbursement from "latecomers."

### **Summary:**

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

If authorized by ordinance or contract, a municipality may participate in financing the development of local water or sewer facilities development projects. A municipality that contributes to such financing is entitled to the same right to reimbursement through latecomers agreements as are developers and property owners.

If a project is jointly financed by a combination of municipal and private funding sources, each participant in such financing is entitled to pro rata reimbursement in accordance with the provisions of the latecomers agreement.

A municipality seeking reimbursement from an owner of real estate pursuant to a latecomers agreement is limited to the dollar amount authorized by such agreement for the infrastructure or facilities that were constructed under the applicable ordinance, contract, or agreement. This reimbursement limitation does not apply to the collection of fees or charges relating to other expenditures for services or infrastructure that are not subject to the applicable latecomers provisions.

**Votes on Final Passage:**

House	97	0
Senate	46	0

**Effective:** July 26, 2009